

A ZOLLVEREIN WITH THE UNITED STATES.

The German Commercial League formed in 1833, was supposed at the time to be inimical to British interests; but this view, has been shewn in practice to be as erroneous, as it was narrow; for it soon became evident to British Statesmen, and to the English people generally, that the wealthier, and the more industrious their neighbours became, the better customers, they were in the world's markets.

The adjustment therefore of our Commercial policy with the United States, on a permanent, and satisfactory basis, and securing perfect freedom of trade between the two Countries, is a necessity which involves the best interests, not only of Canada, but also of the United States. Owing to our geographical position, our interests like our whole territory are identical with those of the United States, and the natural advantages of neither country, can ever be adequately developed, without the mutual benefits and assistance, which would result from a system of reciprocally free imports, exports, and rights of transit.

The German Custom House Union, as has been stated was begun in 1833, or what is called the German Zollverein. The success of this measure, ought to be a powerful argument for a similar Commercial Union, between the United States and Canada. The first and simple object of this association, was to save the expense of each little State, keeping up Custom House guards, all around its little frontiers, by equalising customs duties, so that duties once paid, on the general frontier, the goods could circulate free of all other duties, or examination throughout all the States of the Union. This principle of a Zollverein, has from its evident advantages extended itself, over nearly the whole of Germany; and after a period of fifty years it is still continued, and no desire is expressed for change. The small and large States meet every three years, each having one vote, and agree on a common Tariff; the proceeds of which, after deducting cost of collection, are divided among the several States, in proportion to the ratio of their respective populations. If such a policy existed between the United States and Canada, no discriminating duties would prevent trade between the two countries, and if this principle was carried out of the Zollverein with our neighbours, the effect would be surprising. All inland custom houses would be abolished, and smuggling on both sides extinguished. Duties as agreed upon, would be collected on the Atlantic, on the Pacific and at Montreal and Quebec, and the proceeds of those duties, between both countries would be divided according to population. However desirable this might be, to have this free commercial intercourse with the United States, yet such a result is impossible with the erroneous, excessive Tariff dues, and excise laws of the United States. If carried out the merchant of Chicago, if interest dictated could then purchase goods in Montreal or Quebec, and buyers from Manitoba, might sell and buy at St. Paul, Duluth, St. Louis, or New Orleans as freely as at Halifax or St. Johns.

The high duties which now exist in the United States, have already been so injurious to commerce there, that their modification will not likely be long delayed, and we should be prepared, as was lately well said in the *Journal of Commerce*, to consider any reasonable proposition as to a full and complete reciprocity with our neighbours. Unfortunately for the free discussion of such matters, there is not much unanimity in Canada, and the remarks now made, may be at once frowned down, as they were some years ago, in the Dominion Board of Trade, inasmuch as, that such a policy would tend to political annexation. Now, while scarcely any of our people here, or throughout the country, desire political annexation with the United States, yet the desire to have free commercial intercourse with that country is universal, why, therefore, should the subject not be discussed, calmly and reverently? Few will doubt, that if it was carried out, a vast impulse would be given to our agricultural, manufacturing, mining, shipping and every other industry. The motto of "Ships, Colonies and Commerce" belongs to a time that is past. That was a system of obstruction, and restriction, to all colonial enterprise. Freedom in trade, and a better understanding of the laws of Political Economy, have led to much higher views being taken of commerce.

Suppose, however, that the people of the Dominion would consent to become a party to a customs union with the United States under a modified Tariff, would England consent to such a policy being pursued by us? If she maintained the principle that has already been acted on, that the wealthier and stronger we become, the better it would be for her, then she would not object, more especially if we could show the necessity, from our geographical position, of having free intercourse with the United States. Under the existing Tariff in the United States, England is charged from 40 to 60 per cent. duty, on all goods entering that market. If these prohibitive rates could be reduced to revenue rates on the principle of a Zollverein with Canada, England's interest would thereby be promoted to a far greater degree than by any advantage she could have in Canadian trade. With us a Zollverein would mean the greatest development of every advantage we possessed, and secure a fair and active competition in the markets of the United States. While it would open and make free, our forests, mines, &c., it would also open trade to the manufacturer in the United States. It would also open up a market of forty millions to the manufacturer and farmer of Canada, and would tend to promote friendly relations with our neighbours upon the basis of mutual interests, and intimate social intercourse.

Canada abounds in all those raw materials which have made England great, but our coal, iron, lead, copper, slate, stone, &c., lie neglected for want of a sufficient market, and the high duties in the United States. Lower Canada it is true, has no coal, but on every river running into the St. Lawrence from the north, she has unlimited motive power in water, making thereby the position of Lower Canada highly favourable for manufacturing industry. This to any extent with our present limited market and the high prohibitory duties in the United States, is simply impossible. Moreover, during the winter months, while it is a physical impossibility to do any regular out-door agricultural work, manufactures of all kinds could be successfully carried on, by those who at present, and are every winter unemployed. Instead of 17,000 of our people migrating to the United States in search of work in one year, we could, under a Zollverein, furnish that employment here, while hundreds of thousands more would be attracted from abroad, and our country would be dotted with numerous mining and manufacturing villages throughout the length and breadth of the land.

This subject, however, has only been glanced at, but it may induce others further to discuss it.

JOHN YOUNG,

OUR MINERAL RESOURCES.

I.—NEWFOUNDLAND.

In view of the probable union of Newfoundland with our Dominion at no very distant date, it may not be deemed out of place to preface this outline of the mineral resources of Canada with a brief sketch of those of our sister colony, to whose proper appreciation the able labours of Mr. Alex. Murray, C. M. G., and his assistant have so greatly contributed. Let me add that the following desultory description is in no way original, but chiefly a compilation from the official reports of the Newfoundland Survey, and the interesting letters on this subject that have appeared in the *Toronto Globe* during the past summer.

As the geological structure of a country is the safest guide in studying its mineral resources, let us now unroll the geological map recently published by Mr. Murray. Every one must at once be struck by the immense area occupied by the *Lower Laurentian System*—at least two thirds of the island. It forms the Southern coast from Cape Ray to Despair Bay. The entire Long Range extending from Cape Ray to Castors River is of this age, as is also the country between it and White Bay. The Great Barrens between Red Indian Lake and Grand Pond are of the same antiquity. A broad belt of Lower Laurentian stretches across the island from Cape Freels to Hermitage Bay, and a narrow strip runs from Clodé Sound to the head of Placentia Bay. These, and a large patch parallel to the Eastern shore of Avalon, are its chief exposures.

The *Huronian System* is largely developed in the Peninsula of Avalon and the peninsula lying between Placentia and Fortune Bays. And the great area between Fortune and Bonavista Bays is probably of the same age.

The chief outcross of *Primordial Silurian* is on the Western side of Trinity Bay, including Random Island and the area between it and Bonavista Bay. It also occurs on the S. E. coast of Placentia Bay and the Western coast of St. Mary's Bay.

The *Potsdam, Levis and Calciferous* are not largely developed; their chief exposures lying along the Western coast to the W. and N. W. of the Long Range already mentioned.

The serpentine, with its associated chloritic slates and diorites &c., occupies a considerable area around Notre Dame Bay and a still larger area in that part of the interior known as the Gander Lake and River Country. It also crops out both to the north and south of Hare Bay, and repeatedly along the western shore.

The *Carboniferous Formation* in Newfoundland occupies three distinct areas which are classed by Mr. Murray as "The St. George's Trough, the Port-au-Port Trough and the Inland Trough of Humber River and Grand Pond."

Other geological formations are also represented, and granites and traps are met with at many points.

Mr. Murray always lays great stress in his reports upon the facts already established by our Geological Survey. No mineral deposits of economic value have been yet discovered in the vast Lower Laurentian areas of Newfoundland. Judging by the mining record of Canada, the only such deposits likely to be met with are iron ores and, possibly, apatite and graphite.

In the Huronian system the only valuable deposit yet discovered is a very extensive vein of galena at La Manche, near the north-east extremity of Placentia Bay, where some mining has been carried on for twelve years or more. Some years ago an English company bought the lease and sent an American expert, Prof. Shepherd, to examine their property. This gentleman reported that the part of the vein examined by him would yield 30,000 cubic feet of solid galena, equal to upwards of 1,300,000 lbs. A report made by an English mining engineer in 1873, says:—"The quality of the ore is very fine and commands the highest price in the English market; it will produce about 82 per cent of metallic lead. It also contains some silver." "There are good reasons for believing that the lode extends eastwards throughout the whole of the company's territory, a distance of three miles, as several trial pits have been sunk along the tract from one to two miles and ore extracted from all of them; and at a place called Rantem Cove in Trinity Bay, two miles beyond the company's property, the lode has also been discovered, the natural formations and geological indications being the same throughout." Notwithstanding these very favourable reports the mine has not yet proved a success; and during the past season the works proceeded very languidly. This is probably owing to its being in the hands of speculators.

Lead ore has also been found in rocks of this formation at Fortune Bay; but no attempt has yet been made to trace the indications.

In his report for 1873 Mr. Murray says:—"The ores of lead were frequently met with in the cracks and crevices of the Silurian rocks of Port-au-Port. But the largest surface development that was seen was among the crushed and shattered carboniferous strata." "The impression left on my mind is that the most productive and certainly the easiest worked part will be found to be among the more superficial carboniferous rocks, although the ore may prove to be more solid and compact in the dislocations of the inferior strata." This deposit was worked by the Hon. C. F. Bennett for a short time with very promising results. Unfortunately the French pretended that its opening interfered with their treaty rights; and accordingly the Imperial authorities ordered it to be closed. Port-au-Port is reported to present many other favourable indications of lead ore.

The chief deposits of economic value in the Primordial Silurian rocks are beds of roofing slate. Mr. Murray in his report for 1870 says:—"Judging from the quality of the specimens which were brought from Smith's Sound and the thickness of strata attributed to their place in the formation, together with their proximity to the sea, these slates when fully developed can hardly fail to prove of very considerable commercial importance." This slate-bearing belt has been recognised on both sides of Random Island, on the south side of Random Sound and at Bay Bulls Arm. And workable beds are likely to be found elsewhere also.

In regard to gold, Mr. Murray says in his report for 1872, that Mr. Selwyn's report for 1870-71 on the Nova Scotian gold fields "tends to show that the equivalent of the gold-bearing rocks of Nova Scotia have a wide spread in this Province, and the mineral condition at various parts of their distribution is such